

UNITED STATES DEPARTMENT OF EDUCATION**OFFICE OF INSPECTOR GENERAL
INVESTIGATION SERVICES**

DATE INTERVIEWED: 06/12/2014

PERSON INTERVIEWED: ARROYO, LUIS

INTERVIEWED BY: JASON WILLIAMS, Assistant United States Attorney Amanda Perwin,
United States Attorney's Office SDFL

LOCATION: [REDACTED], Miami, FL

REFERENCE: FAST TRAIN (FT)

CASE NUMBER: 11-041380

On June 12, 2014, Luis ARROYO (ARROYO) was interviewed by Special Agent Jason Williams and Assistant United States Attorney Amanda Perwin at the above referenced address. Also present was ARROYO's defense attorney Louis Casuso. After the interviewing agent identified himself and discussed the nature of the interview, ARROYO voluntarily stated the following, in substance:

ARROYO worked at FT from June 2010 until it closed in June 2012. He was previously employed at City College as an Admissions Representative. During his employment at City College ARROYO became friends with Juan ARREOLA. The men also discovered that they attended the same church. In May 2010, ARREOLA contacted ARROYO about an open position as an admissions representative with FT. ARROYO was interviewed by Maritza Pedoya, the Regional Director of Admissions. ARROYO was hired on the spot after the interview with a starting salary of \$42,000 per year. ARROYO did not meet AMOR until later in his employment.

ARROYO started as an Admissions Representative at the FT Pembroke Pines campus. He stayed at this location for 4.5 months and then moved to FT Fort Lauderdale. During his employment at the FT Pembroke Pines campus he only recruited students who had a high school diploma or General Education Development (GED). Soon after he was hired he was warned by Pedoya that he should leave FT as soon as possible because of their fraudulent practices of recruiting students without a high school diploma or GED. Pedoya quit her employment at FT after she issued the warning to ARROYO.

After four months, ARROYO moved to the FT Fort Lauderdale campus Alejandro AMOR, FT-Owner, met with ARROYO, Jose GONZALEZ, Admissions Representative, and ARREOLA. He told the three men if they brought in 30 students to start in the next three weeks between them then they would all be promoted. ARROYO would become the Director of Admissions in Fort Lauderdale, GONZALEZ would receive a raise and ARREOLA would become the Regional Director of Admissions. All of the men agreed to the challenge posed by AMOR. AMOR drove the men around in November 2010, in his Mercedes SUV and showed them how to recruit students in bad neighborhoods, AMOR referred to the recruiting technique as the "cat and mouse game," referring to the baiting of recruiting people who were sitting at home and had no interest in anything else. AMOR did not care how they got them to come in, he just wanted the students signed up he said. Instead of meeting the goal of 30 students set by AMOR, they exceeded it by recruiting 50 students to attend FT.

AMOR was ecstatic and promoted all three of the men as promised. AMOR set a corporation wide goal of 125 students enrolling in FT every three weeks. This was a very hard quota to meet and employees were required to be creative to meet those goals. In one instance AMOR was showing us how to recruit students at a local flea market in the Carol City neighborhood of Miami. The flea market was located in a financially depressed area. While at the flea market AMOR, GONZALEZ, ARREOLA, and Carol Mart were robbed at gunpoint. GONZALEZ'S gold chain was stolen during the robbery, AMOR reimbursed GONZALEZ for his loss. AMOR instructed ARROYO and ARREOLA to hire pretty girls to recruit more men for the computer technology program at FT. The men complied and hired pretty girls that applied for the jobs and also recruited women to work at FT who were employed as exotic dancers at Miami area strip clubs. ARROYO recalled there were a few instances when these female employees were assaulted and one may have been raped.

GONZALEZ told ARROYO that AMOR was in touch with the Director of American Worldwide Academy (AWA) a local private high school and said that if students did not have their high school diploma they could take a test and would have the required credential. Most of the admissions representatives who were recruiting students in south Florida began to use AWA as the place FT prospective students completed their high school studies. This worked for a while, until AMOR intervened. AMOR said the financial aid and registrar departments for FT were beginning to complain about the amount of students who had attended AWA, and said that it was being used to often. AMOR told ARROYO, ARREOLA, and GONZALEZ, to have students list the last high school they attended and when they "should have graduated" for students who did not have a high school diploma or GED. AMOR said by the student listing this false statement on their enrollment agreement or their Free Application for Federal Student Aid (FAFSA) it was on the student signing the form not the admissions representative.

ARROYO became unhappy with his work because he spent too much time working at FT and not enough time with his family. He also drove prospective FT students to and from their homes as far away as Homestead, FL. His Volkswagen sedan eventually broke down and AMOR gave ARROYO a cash gift for him to use as a down payment on the Dodge Charger that he purchased. ARROYO once threatened to quit his employment at FT and was sent on a cruise by AMOR to the Bahamas at the expense of AMOR.

AMOR did not like people who questioned FT's methods of recruitment and retention. Employees who asked too many questions were often fired or intimidated. ARROYO recalled Janellis Champion and Mildred Ramos were two admissions representatives that either quit or were fired because they did not want to participate in the illegal activity of recruiting students without high school diplomas or GED's. Financial aid counselors also met the same fate if they asked too many questions. Caridad Perez was fired for her insistence of asking questions about high school completion to prospective FT students. Registrars also were fired for not marking students as present when they clearly had never attended FT for the day, one of those terminations was Natalie Diaz.

AMOR held conference calls once every three weeks with admissions and sometimes financial aid on the status of their recruitment efforts corporate wide. In one call, AMOR told admissions and financial aid staff corporate wide "I forbid you to ask questions. If a student said they graduated, that's it, we are not the FBI." He told the admissions representatives in a separate meeting, "Financial aid works for the government, you can't tell them anything, "referring to students lying about the completion of their high school diploma or GED. AMOR told ARROYO you have to teach these students how to lie to financial aid. In one meeting AMOR showed all of the admissions representatives in a meeting in south Florida an online FAFSA application. He showed the admissions representatives the block that asked "Do you have a high school diploma or GED?" AMOR said unless you check yes on this box the FAFSA will go nowhere, meaning that the student would not be eligible to qualify for aid.

ARROYO said he learned all of his fraudulent practices during his employment at FT. His employment at City College was done by the book and never included the recruiting of students without a high school diploma or GED. AMOR personally trained ARROYO on how to create fake high school diplomas by showing him how to cut and paste the names on top of old diplomas provided by other students.

AMOR often said he did not trust any of us, although he did take a liking to ARROYO. He once invited ARROYO to go

fishing on his yacht, ARROYO declined the invitation. AMOR often said he would hurt you if you ever betrayed him. ARROYO was aware that AMOR owned firearms and often kept some in FT offices he occupied. AMOR believed GONZALEZ was "reckless," and stated that GONZALEZ "is going to get us caught." AMOR had the same fears about Juan PENA the Director of Admissions for the FT-Flagler campus. AMOR threatened PENA once that he was going to get caught and that he [AMOR] was not going to back him up.

ARROYO said Santiago MARTINEZ, the Director of Education for all of FT seven campuses was also involved in the fraudulent activity. MARTINEZ once made Gabriel Hernandez a fake high school diploma because the student was only 16 when he attended FT. AMOR ordered that all admissions representatives were to not be on campus during any U.S. Department of Education program review or accreditation visit because he did not want the outside to know how they were recruiting their student population.

ARROYO believed PENA quit before the search warrants were served in May 2012 on all of FT's campuses, but could not be sure. He said PENA was brainwashed into recruiting students without high school diplomas or GED's, he didn't want to do it. PENA found a few students a job before they finished their education at FT, AMOR was upset about this because they did not complete their studies which meant that FT would not be eligible to receive additional federal funds on these students' behalf.

After the search warrants were served on FT's seven campuses in May 2012, ARROYO was interviewed by private investigators hired by AMOR's law firm. ARROYO was honest with the investigators and disclosed all of the same information contained in this interview. A few days later ARROYO was contacted by AMOR and was told he was fired. When ARROYO asked why AMOR said he could not talk to him about it. After his employment was terminated, ARROYO received his last check by mail but it was drastically smaller than he was accustomed to. When he called to ask why it was smaller AMOR told him the cash down payment he provided for ARROYO's car was a loan not a gift and it had been deducted from his last pay check.